# GOVERNMENT OF INDIA
# SHIPPING
# LOK SABHA

UNSTARRED QUESTION NO:1575
ANSWERED ON:24.07.2002
IMPLEMENTATION OF RECOMMENDATIONS
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**Will the Minister of SHIPPING be pleased to state:**

(a) the number of recommendations made by the National Shipping Policy Committee constituted by the Government in 1997;

(b) the number of recommendations out of them have been accepted by the Empowered Committee constituted to examine the recommendations;

(c) the details of the recommendations so far accepted and implemented by Government;

(d) whether the recommendations in regard to enhancement of depreciation rates, tax relief to Indian seafarers and introduction to tonnage tax in lieu of corporate tax are still pending for implementation;

(e) if so, the reasons therefor; and

(f) the time by which these recommendations are likely to be implemented?

## Answer

MINISTER OF SHIPPING (SHRI VEDPRAKASH P. GOYAL)

(a) to (c) : The National Shipping Policy Committeemade 31 recommendations in all and to consider these recommendations, an Empowered Committee under the Chairmanship ofSecretary (SFT) was constituted on 13th August,1997.The Empowered Committee accepted 26 recommendations made by the National Shipping Policy Committee. Out of 26 recommendations accepted by the Empowered Committee, decision on 19 recommendations have been taken. The balance recommendations, not finding favour with the Ministry of Finance, are not being pursued. The main recommendations accepted by Government are as under :

(i) Restoration of Section 33AC of the Income Tax Act;

(ii) Relaxation of ECB norms/Modification of ECB approval procedure have also been brought into effect w.e.f. 1.4.2000;

(iii) Enhancement of Depreciation rate from 20% to 25% w.e.f. 1.4.2001.

(d) to (f) The recommendation relating to enhancement of depreciation rate from 20% to 25% was accepted as against the recommendation of raising it to 40%. The recommendation relating to relief to Indian Seafarers was not accepted by the Empowered Committee. However, an Expert Group constituted by Government since then has recommended the introduction of Tonnage Tax in lieu of Corporate Tax and Tax relief to Indian seafarers. Action has already been initiated for the acceptance of the recommendations of the Committee. No time frame could be fixed. Endeavour, however is to take a decision at the earliest possible.